



Jay Timmons

Executive Vice President

January 29, 2008

The Honorable Max Baucus
Chairman
Committee on Finance
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

On behalf of the National Association of Manufacturers (NAM), the nation's largest industrial trade association, thank you for including an extended "carryback" period for net operating losses (NOLs) in your economic stimulus proposal.

While the U. S. economy's fundamentals remain strong, it faces significant challenges, including potential fallout from the current housing downturn and high energy costs. The NOL provision is particularly important to NAM members since many industry sectors within manufacturing are cyclical in nature. Allowing companies in a downturn to "carry back" losses in 2006 and 2007 to earlier, profitable years will free up funds that can be used right away for investment and job creation.

We know firsthand that an extended NOL carryback period works. The NOL provisions enacted in 2002 provided much-needed relief to a number of manufacturers. In one case, an NAM member was able to reopen a plant within months after the change was enacted, in part because of the refund the company received because of the NOL provisions.

NAM members feel strongly that pro-growth tax law changes will go a long way in shoring-up business confidence and promoting economic growth and job creation. This also is an idea that has bicameral, bipartisan support. We note that Sen. Olympia Snowe (R-ME) and Rep. Melissa Bean (D-IL) have introduced legislation (S. 2552, H.R. 5107) with positive carryback provisions that would be stimulative to the economy.

We look forward to working with you and your staff to ensure that this important tax policy change is enacted into law.

Sincerely,

A handwritten signature in black ink that reads "J. Timmons". The signature is fluid and cursive, with the first letter of the last name being a large, stylized "T".

Jay Timmons

Manufacturing Makes America Strong